

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT

OF

CITY OF LOGANSPORT

CASS COUNTY, INDIANA

January 1, 2006 to December 31, 2006



**FILED**

06/19/2007



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## OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ruth Ellen Bland	01-01-04 to 12-31-07
Mayor	Michael E. Fincher	01-01-04 to 12-31-07
President of the Common Council	Charles Hastings	01-01-06 to 12-31-06
	Kerry Worthington	01-01-07 to 12-31-07
Superintendent of Utilities	Klaus Hemberger	01-01-06 to 03-31-06
	Paul Hartman	04-01-06 to 12-31-07



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF LOGANSPOUT, CASS COUNTY, INDIANA

We have examined the financial information presented herein of the City of Logansport (City), for the period of January 1, 2006 to December 31, 2006. The City's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the City for the year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

May 24, 2007

CITY OF LOGANSPOUT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 2,517,773	\$ 10,384,390	\$ 10,225,617	\$ 2,676,546
Motor Vehicle Highway	616,547	1,045,542	796,561	865,528
Local Road and Street	26,956	82,189	86,526	22,619
Law Enforcement Continuing Education	30,473	8,750	-	39,223
Park Nonreverting Operating	18,571	55,022	46,072	27,521
Ben Long	473	-	-	473
Fire Report	741	348	487	602
Solid Waste District	17,810	1,800	-	19,610
Police Reserve	190	-	-	190
Nonreverting Host Community	501,603	283,856	106,434	679,025
Eastgate Property	347,154	138,435	3,960	481,629
Blitz Grant	-	4,500	4,500	-
Bulletproof Vest	-	680	680	-
Auto Safety IU Grant	74	-	-	74
Donations	65	-	-	65
AIP Environmental Grant	542	2,850	3,000	392
Nonreverting Drug Investigation/Equipment	8,526	5,690	-	14,216
Nonreverting Unsafe Building	3,518	1,165	3,830	853
Rainy Day	107,323	15,252	15,252	107,323
Fire Station/Street Department	117,619	336,419	309,982	144,056
Cumulative Capital Improvement	39,921	70,321	60,000	50,242
County Economic Development Income Tax	1,494,911	567,476	288,662	1,773,725
Park Nonreverting Capital	3,408	750	1,636	2,522
Logansport Nonreverting Equipment	424,828	153,511	10,700	567,639
Little Turtle Waterway Plaza	6,911	4,700	4,700	6,911
Nonreverting Infrastructure Maintenance	391,694	100,000	200,512	291,182
Nonreverting Old US 24 Highway Relinquishment	2,059,688	640,843	1,235,375	1,465,156
Nonreverting Land Development	62,823	33,747	-	96,570
Tax Increment Financing	79,246	114,795	76,490	117,551
CDBG IN Housing Grant 004	22,683	21,920	44,603	-
CDBG IN Housing Grant 005	22,668	30,191	25,859	27,000
Nonreverting Logansport Health Insurance	44,379	361,837	22,405	383,811
Nonreverting Golf Operating	36,864	66,988	72,924	30,928
Nonreverting Grant Administration	115,000	126,379	131,249	110,130
Industrial Development Grant	-	16,500	16,500	-
IDEM Grant	-	7,125	7,125	-
Indiana Department of Energy Grant	-	8,991	8,991	-
Sharon Ness Memorial Scholarship - Parks	-	672	-	672

The accompanying notes are an integral part of the schedules.

CITY OF LOGANSPOUT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2006  
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Proprietary Funds:				
Internal Service Fund:				
Utility Health Insurance	2,105,818	1,135,955	1,257,192	1,984,581
Water Utility - Operating	199,006	3,671,757	3,691,461	179,302
Water Utility - Bond and Interest	-	408,946	408,946	-
Water Utility - Depreciation	2,103,267	165,027	136,940	2,131,354
Water Utility - Insurance Reserve	138,353	6,986	-	145,339
Water Utility - Bond Reserve	446,552	24,803	-	471,355
Wastewater Utility - Operating	137,279	5,171,291	5,112,400	196,170
Wastewater Utility - Bond and Interest	-	757,470	757,470	-
Wastewater Utility - Depreciation	934,615	33,246	324,766	643,095
Wastewater Utility - Insurance Reserve	107,739	5,443	-	113,182
Wastewater Utility - Bond Reserve	946,326	44,283	185,893	804,716
Wastewater Utility - Fiscal Agent	17,039	948	1,242	16,745
Electric Utility - Operating	164,328	30,558,105	29,442,898	1,279,535
Electric Utility - Depreciation	5,702,145	760,687	4,135,932	2,326,900
Electric Utility - Customer Deposit	111,549	5,687	-	117,236
Electric Utility - Construction	-	3,927,772	1,406,416	2,521,356
Electric Utility - Insurance Reserve	315,126	15,901	-	331,027
Electric Utility - Employee Banked Vacation	258,055	39,615	128,010	169,660
Storm Water Utility - Operating	78,831	832,692	903,550	7,973
Storm Water Utility - Bond and Interest	-	142,113	142,113	-
Storm Water Utility - Depreciation	431,862	23,148	55,010	400,000
Storm Water Utility - Bond Reserve	172,950	9,606	-	182,556
Storm Water Utility - Operating Reserve	815,661	78,308	133,000	760,969
Fiduciary Funds:				
Police Pension	1,174,097	503,686	602,521	1,075,262
Fire Pension	1,600,077	728,222	773,417	1,554,882
Cemetery Endowment	4,772	-	2,520	2,252
Calvary Perpetual	51,162	-	-	51,162
Cemetery Perpetual	63,568	6,912	9,388	61,092
Cemetery Trust (Flanagan)	-	4,652	-	4,652
Pratt Charitable	5,000	600	600	5,000
Spry Charitable	10,000	-	-	10,000
Payroll Withholdings	-	2,381,534	2,381,534	-
Payroll	-	3,742,996	3,742,996	-
Totals	<u>\$ 27,216,159</u>	<u>\$ 69,882,025</u>	<u>\$ 69,546,847</u>	<u>\$ 27,551,337</u>

The accompanying notes are an integral part of the schedules.

CITY OF LOGANSPOUT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The City uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the City on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depositary Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.



CITY OF LOGANSPOUT  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

CITY OF LOGANSPORT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
For The Year Ended December 31, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 4,828,247
Infrastructure	13,783,876
Buildings	12,524,431
Improvements other than buildings	4,166,742
Machinery and equipment	<u>6,043,860</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 41,347,156</u>
Business-type activities:	
Water Utility:	
Capital assets:	
Land	\$ 77,749
Buildings	1,631,634
Improvements other than buildings	14,980,448
Machinery and equipment	<u>4,182,120</u>
Total Water Utility capital assets	<u>20,871,951</u>
Wastewater Utility:	
Capital assets:	
Land	36,500
Construction in progress	3,237,968
Buildings	2,404,821
Improvements other than buildings	17,366,450
Machinery and equipment	<u>11,184,842</u>
Total Wastewater Utility capital assets	<u>34,230,581</u>
Storm Water Utility:	
Capital assets:	
Construction in progress	234,825
Improvements other than buildings	<u>4,244,274</u>
Total Wastewater Utility capital assets	<u>4,479,099</u>
Electric Utility:	
Capital assets:	
Land	268,635
Construction in progress	2,986,912
Buildings	6,386,220
Improvements other than buildings	31,351,054
Machinery and equipment	<u>34,561,834</u>
Total Wastewater Utility capital assets	<u>75,554,655</u>
Total business-type activities capital assets	<u>\$ 135,136,286</u>

CITY OF LOGANSPORT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
For The Year Ended December 31, 2006

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Fire Station/Street Barn	\$ 432,153	\$ 282,979
Business-type Activities:		
Water Utility		
Revenue bonds:		
1995 Improvement	651,149	130,000
2001 Northern Heights	3,865,168	146,000
Total Water Utility	4,516,317	276,000
Wastewater Utility		
Revenue bonds:		
1994 Improvement	1,967,354	390,000
1998 Main Street Sanitary Sewer Extension	1,097,273	66,000
2001 Northern Heights	2,637,631	99,000
Total Wastewater Utility	5,702,258	555,000
Storm Water Utility		
Revenue bonds:		
1995 Improvement	705,075	110,000
Total business-type activities long-term debt:	\$ 10,923,650	\$ 941,000

CITY OF LOGANSPOUT  
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
General	2006	\$ 221,528
Local Road and Street	2006	9,754

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

DELINQUENT WASTEWATER ACCOUNTS

Delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property. A similar comment was in the prior Report B27828.

Indiana Code 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) a list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
  - (A) the name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;
  - (B) a description of the premises, as shown by the records of the county auditor; and
  - (C) the amount of the delinquent fees, together with the penalty; or
- (2) an individual instrument for each lot or parcel of real property on which the fees are delinquent."

"(c) The officer shall record a copy of each list or each individual instrument with the county recorder."

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . ."

CITY OF LOGANSPOUT  
EXIT CONFERENCE

The contents of this report were discussed on May 24, 2007, with Michael E. Fincher, Mayor; Ruth Ellen Bland, Clerk-Treasurer; Kerry Worthington, President of the Common Council; Paul Hartman, Superintendent of Utilities; and LuAnn Davis, Utilities Controller. The officials concurred with our findings.